

DRAFT Agreement to recognize and reform payment structures to support Patient Centered Medical Home

In 2013 we recognize health care delivery and health care insurance is in the upheaval of major reform and this agreement will endure ongoing transformation ~~in both the public and private markets~~. This agreement is recognized as only pertaining to Patient Centered Medical Home as defined and agreed upon in this document.

The goal of both health care providers and health insurers participating in this agreement is to reform the delivery of health care services in order to improve the overall health of individual patients, patient populations and control or reduce expenditures through appropriate, evidence based, comprehensive care.

We, the undersigned insurance companies and physicians/health care providers agree to support and promote the creation of Patient Centered Medical Home (PCMH) in Nebraska by using the definition, standards, clinical measurements and payment reform menus outlined in this document in order to fund and encourage the transformation of primary care providers and to measure that transformation and the identified clinical performances and health outcomes beginning or prior to _____ (September, October, November 2013).

Definition: In Nebraska, a patient centered medical home, or PCMH, is defined as a health care delivery model in which a patient establishes an ongoing relationship with a physician in a physician-directed team to provide comprehensive, accessible, and continuous evidence-based primary and preventive care, and to coordinate the patient's health care needs across the health care system in order to improve quality, safety, access and health outcomes in a cost effective manner.

Recognition/Standards accepted:

- NCQA PCMH certification
- JACO PCMH certification
- Nebraska Medicaid PCMH Pilot Program, Tier I and II standards

Clinical measure menu:

- adult (see attached chart)
- pediatric (see attached chart)

Clinical measures may need adjusted annually. Therefore, each PCMH and payer participating in this agreement will meet annually to review and adjust measures used prior to contract negotiations and implementation.

Payment reform menu to include Tier I:

Prepayment tier:

- per member per month
- monthly/quarterly care coordination fee
- integration fee

_____ (This payment is a recognition of the costs of coordination and transformation and may have a

variety of payment methodologies.)

Post-payment tier Tier II:

enhanced fee for service

performance bonus

shared savings

(This payment is a recognition of performance and may have a variety of payment methodologies.)

Members of this agreement will use at least one form of payment from each tier in a payment combination amount that reasonably covers the estimated costs of provider transformation for at least two (2) years from the beginning of the provider transformation. Specifics, within these parameters, will be decided upon by each payer and provider contract negotiation.

~~In 2013 we recognize health care is in the upheaval of reform and this agreement, particularly payment reform, will endure ongoing transformation.~~ It is expected that beyond the initial two (2) years of beginning transformation to PCMH providers and payers will negotiate further payment structures that maintain recognition and incentives for PCMH.

(An annual report to the Banking, Commerce and Ins. Committee? It could identify activity levels including the number of clinics involved and a basic structure of the program and possibly information on challenges and accomplishments.)